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RUEHBUL/AMEMBASSY KABUL 2847  
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TAGS: [PREL](#) [PGOV](#) [MASS](#) [PTER](#) [SNAR](#) [SCUL](#) [ETRD](#) [ENRG](#) [IN](#)  
SUBJECT: INDIA SKEPTICAL OF SCO AS SECURITY FORUM

REF: SECSTATE 72746

Classified By: PolCouns Geoff Pyatt, Reason 1.5 (B,D)

¶1. (C) Summary: PolCouns delivered reftel demarche to MEA Joint Secretary for Eurasia Bhagwati on May 10 seeking India's help to prevent the inclusion of anti-US language at the upcoming SCO meeting in Shanghai. Bhagwati stated clearly that as an observer to SCO, India has no role in drafting the organization's official documents, and is interested in participating in SCO only to discuss technical, trade, counter narcotics, cultural, and potentially, counter terrorism issues, but not broader strategic and security matters. Bhagwati also expressed interest in Central Asian energy opportunities, but relayed his concern that each of them be fully evaluated by India's Planning Commission once their costs and benefits have been determined. End summary.

GOI Played No Role in 2005 SCO Summit Statement  
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¶2. (C) On May 10 PolCouns and Poloff had a typically engaging discussion with GOI Ministry of External Affairs (MEA) Joint Secretary for Eurasia Jaimini Bhagwati on issues ranging from

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India's participation in the Shanghai Cooperation Organization to energy trade with Central Asia. Bhagwati reacted to reftel demarche by explaining that while India had been present at the July 2005 SCO meeting as an observer, it played no part in the drafting of the summit's declaration. The 2005 SCO statement was drafted only by SCO's six full

members (Russia, China, Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan). Bhagwati went on to explain that observer states (including India) only saw the 2005 SCO statement at the signing ceremony, and that there had been no opportunity to edit the document. Moreover, Bhagwati noted that SCO's statute explicitly prohibits observer states from signing any official SCO communiqués. Therefore, India had no role to play in the substantive drafting or approval of the 2005 SCO summit statement, and has similarly not been invited to participate in the May 15 meeting of SCO foreign ministers, which will be working on drafts for the 2006 SCO summit. Encouragingly, Bhagwati stated that the GOI would "not be happy or prepared to be a party to past (SCO) communiqués - if we were to become a member this would be an issue."

#### Indians do not Want to Use SCO as a Security Forum

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13. (C) Bhagwati went on to note that one agenda item before the SCO foreign ministers next week will be the role of observer countries in the organization. India has made it clear to the SCO secretariat that it is interested in participating in SCO to work on economic, trade, energy, technical, cultural, counter narcotics, and perhaps, counter terrorism issues, but is not interested in discussing broader security or strategic issues in the forum.

#### India Cautious of Russia and China Central Asian Interests

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14. (C) Our GOI interlocutor acknowledged the US point that an anti-American SCO reference could complicate issues with the Kyrgyz authorities, but made it clear that "India does not

NEW DELHI 00003270 002 OF 003

want to impose itself on that discussion." Bhagwati also mentioned that he had seen Vice President Cheney's recent remarks on Russia, noting them in the context of growing US interest in Central Asia's energy resources. "You can guess the sensitivities of the two giant neighbors to the north and the east to this," Bhagwati observed, alluding to Russia and China. Bhagwati believes that Russia is not interested in Central Asia for energy, while China is - particularly for additional fossil fuel energy sources, and not hydropower.

#### Energy Opportunities Need Study

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15. (C) Bhagwati went on to convey that it does make sense for India to engage with Central Asia on energy issues, given the energy deficit of the former and surplus in the latter. PolCouns invited India to participate in the upcoming June 2006 USTDA conference on the Central Asian energy sector in Istanbul, noting that the initiative could also generate opportunities for India's private sector. While Bhagwati acknowledged that there are a number of possible energy projects in Central Asia, he also conveyed that full cost-benefit analyses must be conducted for each of the projects, since "none of them have been costed out yet." Bhagwati also said that India's Planning Commission will approve any potential project if its technical specifications, cost, and other factors satisfy India's long-term needs. Bhagwati expressed doubt that the proven energy reserves in countries such as Turkmenistan will be sufficient to fulfill even previous commitments made to Russia and China.

#### Comment: India's Energy Balancing Act

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16. (C) A front page article in the May 11 Indian Express noted that India's Petroleum Ministry plans to ask the Cabinet's permission to request to become an official member of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project. The article also quoted Foreign

Secretary's letter to the Petroleum Ministry last month that

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"participation in TAPI project would give us leverage with Iran on the IPI (Iran-Pakistan-India) project," and "it would be in tune with US strategic interests for the region." In a separate May 11 meeting, MEA's Afghanistan policy coordinator confirmed the accuracy of the Express report. There is high-level GOI support for moving forward with Central Asian energy options, particularly since Iran reneged on an agreement to provide India with liquid natural gas per an agreement signed in 2005. The devil for these Central Asian projects, however, will be in their technical details and cost estimates, as well as the security risks of transporting energy through Afghanistan and Pakistan. India will also be careful to tread lightly around the interests of China and Russia in Central Asia, while pursuing its own energy needs without directly competing with them in their traditional spheres of influence. As for the SCO, India clearly wants to be aware of its machinations, but does not share its strategic goals. End comment.

17. (U) Visit New Delhi's Classified Website:  
(<http://www.state.sgov.gov/p/sa/newdelhi/>)

NEW DELHI 00003270 003 OF 003

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